



**CHAMBER FOR ADVANCEMENT
OF SMALL & MEDIUM BUSINESSES**



Handbook on Schemes for North Eastern Region

Submitted by

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1. Central schemes with special offers for North Eastern Region (NER)

1.1 Credit Linked Capital Subsidy Scheme for Technology Upgradation

1.2 Prime Minister Employment Generation Programme

1.3 MSE- Cluster Development Programme

1.1 Credit Linked Capital Subsidy for Technology Upgradation (CLCSS)

CLCSS provides 15% subsidy for additional investment up to Rupees 1 Cr for technology upgradation by MSEs. Technology upgradation would ordinarily mean induction of state-of-the-art or near state-of-the-art technology. In the varying mosaic of technology covering more than 7,500 products in the Indian small scale sector.

The revised scheme aims at facilitating technology upgradation by providing 15% up front capital subsidy to MSEs, including tiny, khadi, village and coir industrial units, on institutional finance availed by them for induction of well established and improved technologies in specified sub-sectors/products approved under the scheme.

- In order to ensure fair inclusion of SC/ST, women entrepreneurs and entrepreneurs from **North Eastern Region (NER)**, the subsidy shall also be admissible for investment in acquisition/replacement of plant & machinery /equipment & technology up-gradation of any kind. But fabricated / second hand machinery /equipment will not be eligible for subsidy under the CLCS component of the scheme.
- Enterprises owned by SC/ST categories, women entrepreneurs: Enterprises with clear ownership of 51% & above held by SC/ST or women will be considered and eligible. Priority will be given to women entrepreneurs, entrepreneurs **from the North Eastern Region (NER)**.

Website : <https://clcss.dcmsme.gov.in/>

1.2 Prime Minister's Employment Generation Programme (PMEGP)

The scheme is implemented by Khadi and Village Industries Commission (KVIC) functioning as the nodal agency at the national level. At the state level, the scheme is implemented through State KVIC Directorates, State Khadi and Village Industries Boards (KVIBs), District Industries Centres (DICs) and banks. In such cases KVIC routes government subsidies through designated banks for eventual disbursement to the beneficiaries / entrepreneurs directly into their bank accounts.

The maximum cost of the project/unit admissible in the manufacturing sector is Rupees 25 lakhs and in the business/service sector it is Rupees 10 lakhs.

Categories of Beneficiary's Rate of subsidy under PMEGP (of project cost) :-

- General category - 15%(Urban) , 25%(Rural), Beneficiary's contribution - 10% ;
- SC/ ST/ OBC/ Minorities/Women, Ex-servicemen, Physically handicapped, **North Eastern Region (NER), Hill and Border areas, etc.** - 25%(Urban), 35%(Rural), Beneficiary's contribution - 5% ;

The balance amount of the total project cost will be provided by the banks in the form of term loan and working capital.

Eligibility criteria :-

- Any individual, above 18 years of age. At least VIII standard pass for projects costing above Rupees 10 lakhs in the manufacturing

sector and above Rupees 5 lakhs in the business / service sector.

- Only new projects are considered for sanction under PMEGP.
- Self Help Groups (including those belonging to BPL provided that they have not availed benefits under any other Scheme), Institutions registered under Societies Registration Act, 1860; Production Co-operative Societies, and Charitable Trusts are also eligible.
- Existing Units (under PMRY, REGP or any other scheme of Government of India or State Government) and the units that have already availed Government Subsidy under any other scheme of Government of India or State Government are NOT eligible.

Website : <https://msme.gov.in/11-prime-ministers-employment-generation-programme-pmegp>

1.3 Micro & Small Enterprises - Cluster Development Programme (MSE-CDP)

Objectives of the Scheme:

- To support the sustainability and growth of MSEs by addressing common issues such as improvement of technology, skills & quality, market access, etc.
- To build capacity of MSEs for common supportive action through formation of self help groups, consortia, upgradation of associations, etc.
- To create/upgrade infrastructural facilities in the new/existing Industrial Areas/Clusters of MSEs.
- To set up Common Facility Centres (for testing, training, raw material depot, effluent treatment, complementing production processes, etc).
- Promotion of green & sustainable manufacturing technology for the clusters so as to enable units to switch to sustainable and green production processes and products.

Components of the scheme :

- (i) Common Facility Centers (CFCs):** The Government of India grant will be restricted to 70% of the cost of the Project of maximum Rupees 20.00 crores. The grant will be **90% for CFCs in the North Eastern Region (NER) with more than 50% - (a) micro/village, (b) women owned, (c) SC/ST units.** The cost of Project includes cost of Land (subject to maximum of 25% of Project Cost), building, pre-operative expenses, preliminary expenses, machinery & equipment, miscellaneous fixed assets, support infrastructure such as water supply, electricity and margin money for working capital.
- (ii) Infrastructure Development:** The Government of India grant will be restricted to 60% of the cost of the Project (Rupees 10 crore for Industrial Estate & Rupees 15 crore for Flatted Factory Complex). **The grant will be 80% for Projects in North Eastern Region (NER) with more than 50% (a) micro/village, (b) women owned, (c) SC/ST units.** For existing clusters, upgradation proposals will be based on actual requirements.
- (iii) Marketing Hubs / Exhibition Centres by Associations :** The Government of India grant will be restricted to 60% of the cost of Project of maximum Rupees 10 crores for Product Specific Associations with SMO rating of Gold Category and above from NABET (QCI) and 80% for Associations of Women Entrepreneurs. Remaining project cost is to be borne by SPV / State Government. The Gov contribution will be towards construction of building, furnishings, furniture, fittings, items of permanent display, miscellaneous assets like generators, etc.
- (iv) Thematic Interventions :** The Government of India grant will be

restricted to 50% of total cost of maximum 5 Thematic Interventions not exceeding Rupees 2 lakhs for each in approved / completed CFC for activity mentioned below. As such the maximum GoI grant under this component for each CFC would be Rs.10 lakh. Remaining cost would be borne by the SPV / State Government.

- (a) Training Programmes.
- (b) Exposure Visits.
- (c) Strengthening the Business Development Service (BDS) provision through a panel of service providers.
- (d) Any other activity related to creating a business ecosystem in cluster mode.

(v) Support to State Innovative Cluster Development Programme : A few State

Governments have initiated State funded Cluster Development Programme to support soft and hard interventions in clusters with limited funding support. In order to strengthen this activity, this component would provide co-funding of the CFC projects of the State Cluster development Programme on a matching share basis. The Government of India fund would be limited to State Government share or Rupees.5.00 crore whichever is lower. The Government of India assistance would be **90% of project cost not exceeding Rupees.5.00 crore in respect of CFC projects in North Eastern Region (NER) as well as for projects where beneficiaries are SC/ST/Women owned enterprises, as per the scheme guidelines of State Cluster Development Programme.**

Website : <https://cluster.dcmsme.gov.in/>



2. Assistance from National Small Industries Corporation (NSIC) for North Eastern Region (NER)

2.1 Credit Facilitation

2.2 Raw Materials Assistance

2.3 Facilitating Bamboo Entrepreneurship in North Eastern Region

2.1 Credit facilitation through bank

NSIC has been providing a great amount of assistance to the MSMEs of the **North Eastern Region (NER)**. The process of availing credit from a bank has been facilitated by NSIC making it easier for the MSMEs in the NER. NSIC assists the MSMEs in completion of the documentation for submitting the proposals to the banks and also does the follow up with the banks. These handholding support are provided by NSIC without any cost to the MSMEs.

2.2 Raw Material Assistance

NSIC helps the MSMEs in the North Eastern Region (NER) by financing the purchase of Raw Materials (indigenous & imported).

Benefits of the Scheme :-

- Facilitating procurement of Raw Material with credit support up to 180 days
- MSMEs helped to avail Economics of Purchases like bulk purchase, cash discount etc.

2.3 Facilitating bamboo entrepreneurship in North Eastern Region (NER)

NSIC is the marketing partner of the Bio Ethanol Project in the North Eastern Region(NER). Under this project, Assam Bio Refinery Pvt. Ltd. is sourcing bamboo from various states of North East like Assam, Nagaland, Arunachal Pradesh and Meghalaya. It is setting up chip processing units in strategic locations with an aim to create & develop new entrepreneurs of the NER. NSIC plays an important role by facilitating the selected Local Level Entrepreneurs to set up the necessary infrastructure for success of the mission/project. The implementation of the project will help to create maximum MSME entrepreneurs and also generate new employment opportunities in the North Eastern Region (NER). Expected total engagement of direct, indirect, contractual and new entrepreneurs is approximately 6350 by September 2021 and another 15,000 more engagement by 2026.

Website : <https://www.nsic.co.in/>



3. Schemes from the North Eastern Development Finance Corporation Ltd. (NEDFi)

3.1 North East Entrepreneurs' Development Scheme

3.2 Women Enterprises Development Scheme

3.3 Initiative for Development of Entrepreneurs in Agriculture

3.4 Enterprises Development Scheme

3.5 Scheme for North East Handloom and Handicrafts

3.6 North East Venture Fund

The North Eastern Development Finance Corporation Ltd (NEDFi) is a Public Limited Company registered under the Companies Act 1956. NEDFi aims to provide financial assistance to micro, small, medium and large enterprises for setting up industrial, infrastructure projects in the North Eastern Region of India and also Microfinance through MFI/ NGOs. Besides financing, it also offers Consultancy & Advisory services to the state Governments of the north eastern states, private sectors and other agencies. NEDFi with its services dedicates itself for the economic development of the North Eastern Region of India by identifying, financing and nurturing commercially and financially viable projects in the region.

3.1 North East Entrepreneur's Development Scheme [NEEDS]

The objective of the scheme is to help first generation entrepreneurs who are short of equity.

i) Eligibility Criteria :

- New projects in micro & small enterprises.
- Expansion, modernization and diversification of existing units etc.
- Benefits can also be extended to Proprietorship & Partnership Concerns and Companies.
- A pre-requisite for the scheme is technical qualification of the promoter in the relevant.

ii) Nature of assistance : Term Loan

iii) **Project Cost** : Maximum of Rupees 50 lakhs

iv) **Extent of Assistance** : The assistance may be supplemented with normal term loan upto a maximum of 75% of the project cost including one cycle of working capital in deserving cases.

v) **Promoters' contribution** : Minimum 25% of the Project Cost

vi) **Interest rate** : 8%

vii) **Up front Fee** : 1% of the Term Loan portion of the assistance.

viii) **Repayment period** : Maximum 7 years.

ix) **Security to avail the scheme** :

- First charge on fixed assets of the unit.
- Hypothecation of current assets of the unit.
- Personal Guarantee of the Promoter/s
- Additional security as per requirement.

3.2 Women Enterprises Development Scheme (WEDS)

The primary objective of the scheme is to provide financial assistance to women entrepreneurs for taking up business ventures. Existing business ventures will also be eligible under the scheme for expansion, modernization and diversification.

i) **Eligibility criteria for the scheme** :

- The applicant has to be a woman engaged in any viable income generating activity including small business trade etc.
 - Skilled women entrepreneurs in the age group of 18 - 50 years.
- ii) Nature of Assistance :** Term Loan
- iii) Project cost (including working capital) :** Should not exceed Rupees 15 lakhs
- iv) Extent of Assistance :** Maximum 75% of the project cost as Term Loan.
- v) Promoter's Contribution :** Minimum of 25% of the Project Cost.
- vi) Rate of Interest :** 8%
- vii) Upfront Fee :** 1% of the Term Loan portion of the assistance.
- viii) Security to avail the scheme :**
- First charge on fixed assets of the unit.
 - Hypothecation of current assets of the unit.
 - Personal Guarantee of the Promoter/s.
 - Additional security as per availability.
- ix) Repayment :** Between 3 -7 years.
- x) Documentation :** As per standard procedure of the Corporation.

3.3 Initiative for Development of Entrepreneurs in Agriculture (IDEA)

- i) Objectives of the scheme :**
- To promote Agri-business ventures in the North Eastern Region.
 - To assist in establishing Agri-business as a profitable venture.
 - To provide gainful employment opportunities in Agri-business Ventures.
 - To make available supplementary sources of input supply and services.
- ii) Eligibility criteria :**
- Graduates and Post graduates in agriculture and allied subjects

- Graduates, Post-graduates from other disciplines having experience and skill to undertake Agri Business ventures can also be considered.
 - The proposed units could be proprietorship, partnership or a company.
 - The promoter or their units must not be a defaulter in any government scheme and /or with any bank or any other agencies.
 - The proposed unit for which financial assistance is sought should be located within any of the eight North-Eastern States.
- iii) Nature and Extent of Finance :**
- Composite loan comprising Term Loan and Working Capital.
 - Financial assistance will be extended on a need basis, depending upon the nature of the projects and competence of the promoters.
 - Maximum project size could be Rs.25 lakhs.
 - Term Loan from NEDFi = Maximum upto 75% of the project cost.
 - The promoter's contribution will be at least 25% of the project cost.
 - Rate of Interest = 8%
 - Upfront Fee : 1% of the Term Loan portion of the assistance.
- iv) Repayment Period : 3 – 7 years (including moratorium on principal repayment)**
- v) Security for the scheme :**
- First charge on fixed assets of the unit.
 - Hypothecation of current assets of the unit.
 - Personal Guarantee of the Promoter/s
 - Additional security as per requirement.
- vi) Documentation :** As per standard procedure of the Corporation.

3.4 Enterprises Development Scheme (EDS)

- i) **Objective** : The main objective of the scheme is development of micro enterprises in the North Eastern Region by providing financial assistance in the form of “working capital term loan” for setting up/expansion/modernization of micro business ventures.
- ii) **Purpose of the scheme** : To meet working capital requirements for income generating business activity excluding cultivation/ plantation/ Real Estate/ Contract works.
- iii) **Project cost (working capital for one cycle)** : Should not exceed Rupees 20 lakhs.
- iv) **Nature of Assistance** : Term Loan
- v) **Extent of Assistance** : Maximum 75% of the project cost as Working Capital Term Loan.
- vi) **Promoter’s Contribution** : Minimum of 25% of the Project Cost
- vii) **Upfront Fee** : 1% of the Term Loan sanctioned.
- viii) **Rate of Interest** : 8% p.a. on monthly basis
- ix) **Repayment** : Maximum period of 7 years (including moratorium period) payable on monthly basis.
- x) **Security for the scheme** :
 - First charge on current assets including book debts both present and future.
 - Hypothecation of other fixed assets of the unit both present and future.
 - Personal Guarantee of the Promoter(s)/ Guarantor(s).
 - Additional security (case to case basis/ risk profile of the project).

3.5 Scheme for North East Handloom and Handicrafts (SNEHH)

- i) **Objective** : The objective of the scheme is to promote enterprises in the handloom and handicrafts sector and to provide a platform for sustainable economic growth by promoting the local artisans.

ii) Eligibility :

- The scheme is designed to help the manufacturers/designers/exporters of handloom and handicraft products from North-East India.
- The proposed units could be proprietorship, partnership or a company.
- The promoters or their units must not be a defaulter in any government scheme and/or with any bank/NGO. They must have a clean track record.

iii) Nature and Extent of Finance :

- Project cost : Maximum Rupees 25 lakhs.
- Term Loan Assistance : Up to 75% of the project cost.
- Promoter’s contribution : Minimum 25% of the project cost.
- Interest Rates = 8%
- Upfront Fee : 1% of the Term Loan portion of the assistance.

iv) Repayment Period : 3 – 7 years (including moratorium on principal repayment)

v) Security for the scheme :

- Mortgage / hypothecation of the assets of the unit.
- Personal guarantee of the promoters and one / two respectable persons having the capability to repay the loan.
- Collateral security depending on the project size/ any other security, if necessary.

vi) Documentation : As per standard procedure of the Corporation

3.6 North East Venture Fund

The Fund will contribute to the entrepreneurship development of the North Eastern Region and achieve attractive risk-adjusted returns through long term capital appreciation by way of investments in privately negotiated equity/ equity related investments. The minimum

investment is Rupees 25 lakhs and the maximum is Rupees 10 Crores.

The objectives of the fund are :-

- Investments in startups, early stage and growth stage companies.
- Invest in new products and technologies.
- Invest in innovative business models with superior value proposition and potential for high growth in earnings and profitability.

- To contribute to the entrepreneurship development of the North Eastern Region.

The fund focuses on the following fields :-

- Food Processing
- Tourism
- Health Care
- IT & ITES
- Aggregation of Service

Website : <https://www.nedfi.com/>



4. Schemes for Food Processing Industries in North Eastern Region

- 4.1 Creation of Infrastructure for Agro-Processing Clusters
- 4.2 Creation/Expansion of Food Processing/ Preservation Capacities (Unit Scheme)
- 4.3 Creation of Backward and Forward Linkages
- 4.4 Integrated Cold Chain and Value Addition Infrastructure
- 4.5 Food Safety & Quality Assurance Infrastructure
- 4.6 Scheme for Mega Food Parks
- 4.7 Scheme for Modernisation of Abattoirs
- 4.8 Scheme for Research and Development, Quality Assurance, Codex and Promotional activities
- 4.9 National Mission on Food Processing

4.1 Creation of Infrastructure for Agro-Processing Clusters (APC)

The primary objective is to create Modern infrastructure for facilitating food processing units to be set up in the Cluster closer to production areas.

Financial Assistance from MoFPI : 50% Eligible Project Cost for **North Eastern Region** subject to maximum of Rupees 10 Crores.

Eligibility criteria :

- MSMEs FPOs / FPCs / SHGs /Companies/ Cooperatives/ Central and State PSUs/ Proprietorship firms,etc.
- Combined Net-worth of promoters should not be less than 1.5 times of grant sought.
- Term loan should not be less than 20% of project cost.
- Promoters' equity should not be less than 10% of Project cost
- Minimum Land Area: 10 Acres,
- Minimum Investment: Rupees 25 Crores,
- Minimum no. of Food Processing Units: 5.

4.2 Creation/Expansion of Food Processing/ Preservation Capacities (Unit Scheme)

The primary objective is to create processing and preservation capacities and modernization /expansion of existing food processing units.

Financial Assistance from MoFPI : 50% of the Eligible Project Cost subject to maximum of Rupees 5 Crore.

Eligibility criteria :

- Units will be set up only in Mega Food Parks & Agro Processing Clusters
- Minimum eligible project cost (i) Rupees 3 Crores for general areas & (ii) **Rupees 1 Cr. For North Eastern states.**
- In addition, **SC/ST promoters** can set up Food Processing Units anywhere in India subject to Minimum Eligible Project Cost of Rupees 5 Crores.
- Term loan should be at-least 20% of total Project cost.
- Promoters' equity should not be less than 10% of Project cost (not applicable to Govt. proposals).

4.3 Creation of Backward and Forward Linkages

Objective : To provide effective and seamless backward and forward integration for the processed food industry by plugging the gaps in the supply chain.

The Scheme is applicable to perishable horticulture and non-horticulture produce.

Financial Assistance from MoFPI :

- 50% of the Eligible project cost subject to maximum of Rupees 5 Crores.
- The grants-in-aid will be provided only in respect of technical civil work and eligible plant & machinery.

Eligibility :

- Central and State PSUs/ Joint Ventures/ FPOs / NGOs/ SGHs/ LLPs/ Proprietorship firms, MSMEs etc.
- Term loan should be at-least 20% of total Project cost.
- Promoters' equity should not be less than 10% of Project Cost (not applicable to Govt. proposals).

4.4 Integrated Cold Chain & Value Addition Infrastructure

To goal is to provide integrated cold chain and preservation and value addition infrastructure from farm gate to consumers

The components of the scheme : Farm level Infrastructure, Distribution Hub, Refrigerated vans, Irradiation facilities.

Financial Assistance from Ministry of Food Processing Industries :

- The grant will be provided only in respect of technical civil works and eligible plant & machinery subject to maximum of Rupees 10 Crores.
- For Storage infrastructure – **50% for North Eastern Region**
- For Value addition / processing infrastructure – **75% for North Eastern Region**
- For Stand alone Irradiation facilities - **75% for North Eastern Region**

Eligibility Conditions :

- The combined Net-worth of the promoters/ proposed shareholders should not be less than 1.5 times of the grant sought.

- Term loan should be at-least **10% of total Project cost in North Eastern Region**
- Promoters' equity should not be less than 10% of Project cost (not applicable to Govt. proposals).

4.5 Food Safety & Quality Assurance Infrastructure

The main objective is to motivate the food processing industry for adoption of food safety and quality, assurance mechanism and to face global competition to adopt HACCP/ISO Standard/Food Safety/Quality Management Systems and to keep the Indian Food industry technologically abreast of international best practices.

Financial Assistance : Reimbursement of expenditure **70 % in North Eastern Region** of eligible project cost subject to maximum of Rupees 22 Lakhs.

Eligibility :

- Central/ State Government and its organizations/ universities/ deemed universities/ private sector organizations.
- Proposals of units processing perishable items like fruits, vegetables, milk, meat, poultry, seafood and fish will only be considered eligible.
- The units which have been operating from at least 3 years prior to the date of application will be eligible to apply.

4.6 Scheme for Mega Food Park

The scheme aims at providing a mechanism to link agricultural production markets by bringing together farmers, processors and retailers to ensure maximising value addition, minimising wastages, increasing farmers' income and creating employment opportunities particularly in the rural sector. The Scheme applies the "Cluster" approach and envisages a well-defined agri/horticultural-processing zone containing state-of-the art processing facilities with support infrastructure and well-established supply chain. These include Collection Centers, Primary Processing Centers (PPC), Central Processing Center (CPC) and Cold Chain infrastructure.

Nature of assistance : One time capital grant of 50% of project cost (excluding land cost) subject to a maximum of Rupees 50 crores in general areas and **75% of project cost (excluding land cost) subject to a ceiling of Rupees 50 crores in North East Region including Sikkim.**

A Programme Management Agency (PMA) is appointed by the Ministry to provide management, capacity building, coordination and monitoring support.

For application the applicants have to contact: Cluster Development Initiatives, Project Management Consultants (PMC), Ministry of Food Processing.

4.7 Scheme for Modernisation of Abattoirs

The scheme includes establishment of modern abattoirs and modernisation of existing abattoirs. Modernisation of abattoirs will also include up-scaling of infrastructure of existing abattoirs. For modernisation of meat shop, grant in aid is extended

Nature of assistance :

- The scheme envisages a grant of 50% of cost of plant and machinery
- Technical civil work and other eligible items subject to a maximum of Rupees 15 crores in general areas and 75% of cost of plant and machinery and technical civil work and other eligible items subject to a maximum of **Rupees 15 crores in North Eastern states including Sikkim.**

4.8 Research & Development, Quality assurance, Codex and Promotional activities

- Central/State Government and its organisations/Universities (including deemed

universities) are eligible for grant-in-aid of entire cost of laboratory equipments required for labs and 25% of cost of technical civil works to house the equipments and furniture and fixtures associated with the equipments for general areas and **33% for North Eastern Region.**

- All other implementing agencies/private sector organisations are eligible for grant-in-aid of 50% of cost of laboratory equipments and 25% of cost of technical civil works to house the equipments and furniture and fixtures associated with the equipment for general areas and 70% of cost of lab equipment and 33% of technical civil works for difficult areas.
- The food testing facilities created should be accessible to the public and made available to the food processing units for testing their products in and around the area at specified rates.

4.9 National Mission on Food Processing (NMFP)

A Centrally Sponsored Scheme (CSS) for implementation through State/UT Governments. The objective is decentralisation of implementation of food processing related schemes for ensuring substantial participation of State/UT Governments. The mission is expected to improve the Ministry's outreach significantly in terms of planning, supervision, monitoring of various schemes apart from playing a more meaningful role in policy formation.

Nature of assistance : It is a centrally sponsored scheme in all the states in the ratio of 75:25 (Govt. of India and states) except for **North Eastern states, where the ratio is 90:10.**

All the above scheme to be applied at : <https://www.mofpi.nic.in/>



5. Schemes focussing on major MSME areas of the NER

5.1 Horticulture

5.2 Dairy

5.3 Spices

5.4 Organic Food

5.5 Poultry

5.6 National Bamboo Mission

5.1 Horticulture

5.1.1 Development of Commercial Horticulture in Open Field

The scheme covers commercial horticulture development in open field conditions, including components viz., planting material, plantation, irrigation, fertigation, precision farming, Good Agricultural Practices (GAP), etc.

Rupees 75 lakhs/per project (Rupees 125 lakhs for date palm, olive and saffron) for projects covering areas over 2 ha.

Nature of assistance : Credit linked back ended @ 50% of project cost limited to **Rupees 37.50 lakhs for the North Eastern Region.**

The scheme is implemented by the State Horticulture Mission

Societies and other organisations who are provided grants-in-aid.

5.1.2 Development of Commercial Horticulture in Protected Cover

The scheme covers commercial horticulture development in protected cover providing Rupees.112 lakh per project covering area above 2,500 sq.mt

Nature of assistance : Credit linked back-ended subsidy@ 50% of cost limited to Rupees.56 lakh per project.

The scheme is implemented by the State Horticulture Mission Societies and other

organisations who are provided grants-in-aid.

5.1.3 Development of Commercial Horticulture for post harvest management projects

It covers Integrated post harvest management projects e.g., pack house, ripening chamber, reefer van, retail outlets, pre-cooling units, primary processing, etc

Rupees 145 lakh per project. Pre-cooling, pack house, grading, packing, and cold room can be taken up as add-on individual components.

Nature of assistance : Credit linked back ended subsidy @ 50% of project cost limited to **Rupees 72.50 lakh per project in the North Eastern Region**, ensuring backward and forward linkage. For standalone projects, NHM norms will be adopted.

The scheme is implemented by the State Horticulture Mission

Societies and other organisations who are provided grants-in-aid.

5.1.4 Investment subsidy scheme for Cold storage unit-Basic mezzanine structure

The scheme covers Cold storage units Type-1 - basic mezzanine structure with large chamber (of > 250 MT) type with single temperature zone.

Cost norms - NHB takes up projects with capacity above 5,000 MT upto 10,000 MT as per following rates:

- Rupees 7,600/MT for capacity between 5,001 to 6,500 MT.
- Rupees 7,200/MT for capacity between 6,501 to 8,000 MT.
- Rupees 6,800/MT for capacity between 8,001 to 10,000 MT.

Nature of assistance : Credit linked back-ended subsidy @ 35% of cost of project (50% in North Eastern Region, hilly areas and scheduled areas) for capacity above 5,000 MT.

The scheme is implemented by the State Horticulture Mission

Societies and other organisations who are provided grants-in-aid.

5.1.5 Investment subsidy scheme for Cold storage unit-PEB Structure

It covers Cold Storage Unit Type-2 – PEB structure for multiple temperature and product use, more than 6 chambers (of < 250 MT) and basic material handling equipment.

Cost norms - NHB takes up projects with capacity above 5,000 MT upto 10,000 MT as per following rates -

- Rupees 9,500/MT for capacity between 5,001 to 6,500 MT.
- Rupees 9,000/MT for capacity between 6,501 to 8,000 MT.
- Rupees 8,500/MT for capacity between 8,001 to 10,000 MT.

Nature of assistance : Credit linked back-ended subsidy @ 50% of cost of project in the North Eastern Region for capacity above 5,000 MT.

The scheme is implemented by the State Horticulture Mission Societies and other organisations who are provided grants-in-aid.

5.1.6 Investment subsidy scheme for Cold storage unit using technology for controlled atmosphere

It covers Cold storage unit type-2 to add on technology for controlled Atmosphere.

Cost norms - NHB takes up projects with capacity above 5,000 MT upto 10,000 MT. Additional Rupees 10,000/MT for adding on components of controlled atmosphere technology.

Nature of assistance - Credit linked back-ended subsidy @ 50% of the cost of the project in the North Eastern Region for capacity above 5,000 MT.

The scheme is implemented by the State Horticulture Mission Societies and other organisations who are provided grants-in-aid.

5.1.7 Investment subsidy scheme for Cold Chain

It covers Technology induction and modernisation of cold-chain

Cost norms - Maximum Rupees 500 lakh.

Nature of assistance - Credit linked back-ended subsidy @ 50% of the cost of the project in North Eastern Region for capacity above 5,000 MT

5.1.8 Investment subsidy scheme for refrigerated transport Vehicles

It covers Refrigerated transport vehicles

Cost norms - Rupees 30 lakh for 15 MT, and prorata basis for capacities between 9 to 15 MT.

Nature of assistance - Credit linked back-ended subsidy @50% in North Eastern Region

The scheme is implemented by the State Horticulture Mission, Societies and other organisations who are provided grants-in-aid.

Website : <http://nhb.gov.in/>

5.2 Dairy

5.2.1 Scheme for Dairy Venture Capital Fund (NABARD)

- Interest free loan - 50% of the outlay

Website : <https://www.nabard.org/>

5.2.2 Dairy Entrepreneurship Development Scheme

The main objectives of the scheme are :-

- To promote setting up of modern dairy farms for the production of clean milk
- To encourage heifer calf rearing thereby conserve good breeding stock
- To bring structural changes in unorganised sector so that initial processing of milk can be taken up at the village level itself
- To bring about up-gradation of quality and traditional technology to handle milk on a commercial scale
- To generate self-employment and provide infrastructure for the unorganised sector.

Entrepreneur's contribution : 10% of total outlay - minimum

Back ended capital subsidy : 25% (33.33% for SC/ST beneficiaries) of total outlay, subject to a ceiling Cold storage for milk/ milk products: Rupees 30 lakhs.

Bank's share : Balance portion - Minimum 40%.

For Application : Department of Animal Husbandry Dairying and Fisheries,

The Government of India is the focal department for the scheme.

NABARD is implementing this scheme through commercial banks and other agencies eligible for refinance from NABARD.

Website : <http://dahd.nic.in/>

5.3 Spices

Spices Processing in North Eastern Region Scheme :-

- The scheme envisages financial assistance to spice growers' co-operatives, farmers' associations, NGOs representing spice growers

and individual entrepreneurs in North Eastern and hill states to establish primary processing facilities for spices for organised marketing of produce in domestic and international markets with possible value addition.

- Under this scheme, all types of primary processing facilities, which do not require very high investments, are envisaged to ensure dispersed and relatively low to middle level value addition, particularly to avoid distress sale and large-scale wastage of locally grown spices are supported.

Nature of assistance :

- Grant in aid is provided to the tune of 33% of cost of all types of primary processing facilities subject to a maximum of Rupees 25 lakhs during the plan period per beneficiary.
- In respect of farmers' groups the assistance will be upto 50% of cost of primary processing facilities subject to a maximum of Rupees 35 lakhs per beneficiary.

Who can apply : Spices growers' co-operatives, farmers' associations, NGOs representing spice growers and individual entrepreneurs in the North Eastern and hill states.

Application : Eligible applicants may apply to the Board in prescribed format and obtain 'in-principle' approval to their proposal before implementation of the project.

Website : <http://www.indianspices.com/>

5.4 Organic Food

5.4.1 Scheme for Commercial Production Units of Organic Inputs

The scheme includes two components: Fruit and vegetable market waste compost and bio-fertilizers - Bio-pesticides production units

Nature of assistance : Subsidy @ 25% of the capital cost of the project.

5.4.2 Capacity Building to enhance competitiveness of Indian Agriculture and Registration of Organic Products Abroad

The objective is to build capacities in the system such that it is able to withstand the force of globalisation and competition.

The following activities are undertaken as part of the scheme :

- Research studies/consultancy on various aspects of international competitiveness of Indian agriculture.
- Support for awareness, creation and training programmes relating to agreement on agriculture and related agreements among farmers/agricultural scientists/administrators in the country, preferably by State Agriculture Universities.
- Support to farmers/agriculture related organisations for creation of computerised commodity specific market information systems.
- Creation of product specific/country specific database in Sanitary/Phyto-sanitary measures, quality standards and environmental standards affecting trade in agricultural products.
- Reimbursement of organic product registration charges abroad and liaison with embassies abroad on matters pertaining to market intelligence and trade. Creation/improvement of infrastructure in laboratories engaged in examining standards for agricultural products including work relating to MRL testing. Use of ICT and development/purchase of software on WTO matters.

Nature of assistance The scheme shall be operated on a cost sharing basis with State Government or other private, semi government, Non-Government organisations.

Who can apply :

- User Groups (UG) of farmers/Non-Governmental Organisations (NGOs),
- Individual farmers who are in a position to invest to the extent of at least 30%

of the cost of the project/technology for organic farming.

Website : <https://agricoop.nic.in/>

5.5 Poultry

5.5.1 Scheme for establishing “poultry estates” and mother units for rural backyard poultry

The scheme has following three components namely :

- Assistance to state poultry farms
- Rural backyard poultry and
- Poultry estates.

Nature of assistance : Unit cost (unit size 1,500 chicks per batch): Rupees 1.36 lakh.

Website : <http://dahd.nic.in/>

5.5.2 Poultry Venture Capital Fund

The objectives of the scheme are :

- To encourage poultry farming activity especially in non-traditional states and provide employment opportunities in backward areas.
- To improve production of poultry products which have ready market all over country
- To improve productivity of unscientifically run units through technology up-gradation.
- To Provide quality meat to consumers in hygienic conditions and improve hygienic sale of poultry meat and products in urban areas and neighbourhood societies through poultry dressing and marketing outlets.
- To improve productivity and facilitate rearing of other poultry species like quails, ducks, turkeys, etc., which have good potential.

Nature of Entrepreneur contribution (margin) -

- For loans upto Rupees 1 lakh, banks may not insist on margin as per RBI guidelines.
- For loans above Rupees 1 lakh: 10% (minimum)

Back ended capital subsidy - 25% of outlay (33.33 % for SC/ST farmers and North Eastern states including Sikkim)

Effective bank loan (excluding eligible subsidy as above) - Balance portion, Minimum 40% of outlay.

Website : <http://dahd.nic.in/>

5.6 Bamboo in North Eastern Region

5.6.1 Capital Investment Subsidy Scheme under National Bamboo Mission

There are a number of activities under the National Bamboo Mission which are to be financed by a credit linked back ended subsidy by Financial Institutions (FIs) including banks. Promoters can submit their project proposals to the eligible financial institutions for the grant of subsidy.

Nature of Assistance :-

- **Advance Subsidy** : 50% of the eligible subsidy amount will be released as advance by State level Bamboo Development Agency to the participating FI (bank) on submission of a project scrutiny note cum claim form as per requirement and the norms of NBM. The same would be kept in a Subsidy Reserve Fund Account of the concerned borrowers, to be adjusted finally against loan amount of the bank towards the end of the repayment period and completion of project as per the time schedule.
- **Final instalment of subsidy** : The remaining 50% would be disbursed to the participating banks by State level Bamboo Development Agency after conduct of an inspection by the Joint Monitoring Inspection Committee consisting of officials from the financing bank, State and District level Bamboo Development Agency and their recommendations to that effect.
- **Adjustment of subsidy to Borrower's Account** : There will be a separate borrower-wise account for the subsidy released to the bank for individual projects. The adjustment of subsidy

will be back-ended. The full project cost including the subsidy amount excluding the margin money contribution from the beneficiary, would be disbursed as a loan by the banks. The repayment schedule will be drawn on the loan amount in such a way that the total subsidy amount is adjusted after the full bank loan component with interest is liquidated.

- **Utilisation Certificate** : A Utilisation Certificate is required to be submitted by the financing bank certifying that the full amount of subsidy received in respect of the project has been fully utilised (by way of crediting to the "Subsidy Reserve Fund Account - Borrower-wise") and adjusted in the books of Account under the sanctioned terms and conditions of the project within the overall guidelines of the scheme.

No interest chargeable on subsidy portion : No interest should be charged on the subsidy by the bank.

Pattern of Assistance :

- Owner's contribution 10%
- Subsidy from Government of India 50% subject to the maximum ceiling **(10% more for North Eastern Region's States)**
- Bank loan 40%.

Procedure :

- Interested promoter will submit the project proposal for term loan and subsidy to the Bank on application form as prescribed by the concerned Bank along with the project report and other documents for appraisal and sanction of loan.
- Bank after appraisal and scrutiny of loan will furnish a brief project profile-cum-claim form for advance subsidy in the prescribed format to District level Bamboo Development Agency. The loan shall be disbursed by the

Financial Institution only after the project has been cleared and approved by State level Bamboo Development Agency.

- District level Bamboo Development Agency on receipt of project profile cum claim form from participating banks will recommend the proposal to the State level Bamboo Development Agency who will after scrutiny sanction and release 50% advance subsidy to the participating bank for keeping the same in the Subsidy Reserve Fund Account (Borrower-wise).
- On nearing completion of the project, the promoter will inform the bank

who will initiate action for an inspection by the Committee consisting of officials from bank, State and District level Bamboo Development Agency to ensure that the unit conforms to technical & financial parameters. After inspection is conducted, the bank will submit the claim form for final subsidy in the prescribed format. State level Bamboo Development Agency shall release the final subsidy to banks which will be replenished by the implementing agency or adjusted against the subsidy amount provided to banks in advance.

Website : <https://nbm.nic.in/>



6. North East Industrial Development Scheme (NEIDS)

The scheme aims to promote the growth of new industries in the manufacturing and service sector covering the North Eastern Region.

The scheme provides the following :-

- **Central Capital Investment Incentive for Access to Credit (CCIIAC)** - All eligible new industrial units in the manufacturing and service sector will be provided Central Capital Investment Incentive for Access to Credit @30% of the investment in plant and machinery with an upper limit of Rupees 5 Crores.
- **Central Interest Incentive (CII)** - An interest incentive @3% on the working capital credit advanced by the scheduled banks/state financial institutions for the first 5 years from the date of commencement of commercial production/operation.
- **Central Comprehensive Insurance Incentive (CCII)** - 100% Reimbursement of insurance premium on the insurance of Plant & Machinery and building for the period of 5 years from the date of commencement of commercial production by the unit.
- **GST Reimbursement** - The reimbursement will be up to the extent of Central Government share of CGST and IGST for the period of 5 Years from the date of commencement of commercial production by the unit.
- **Income tax reimbursement** - The MSME unit can claim reimbursement of Centre's share of income tax for the period of first 5 years including the year of commencement of commercial production by the sector.
- **Transport incentive** - 20% of the cost of transportation including the subsidy currently provided by the Railways or Railway PSU for the movement of finished goods by rail. 20% of the cost of transportation for finished goods for the movement through Inland Waterways Authority of India. 33% of the cost of transportation of air freight by scheduled airline and non-scheduled operator for perishable items/goods.
- **Employment incentive** - The DIPP would grant 3.67% of the employer's contribution to the Employees' Provident Fund (EPF) in addition to that the Government bearing 8.33% of Employee Pension Scheme (EPS) grant of the employer in the scheme of Pradhan Mantri Rojgar Protsahan Yojana (PMRPY).

Website : <https://ncog.gov.in/neind/login.php>



7. State sponsored schemes in Assam

7.1 Boneej

7.2 Biponi

7.3 Sarothi - The Start Up Assam

7.4 Swami Vivekananda Assam Youth Empowerment (SVAYEM) Yojana

7.1 Boneej

Objectives of the scheme :- “Boneej” a special scheme to assist the rural industries of the state and it was announced by the Hon’ble Finance Minister in his Budget speech on 26th July, 2016. The basic objective of the scheme is to provide special grants for rural industrial enterprises in the traditional and micro sector in Assam.

Quantum of Grant :- It is proposed to provide Rupees 25000.00 (Rupees twenty Five thousand) as a grant to the industries located in Rural areas only where the annual turnover is less than Rupees 5 lakhs. The amount of grant shall be utilized by the units for procurement of machinery /raw materials, as the case may be.

Eligibility Criteria :-

- The industry should be located in rural areas of Assam.
- This industry should be an existing one and have continuous operation for a minimum of two years.
- The unit should have its own work shed for production and process.
- Age of the applicant should not be less than 18 years and more than maximum of 50 years.
- There is no bar of educational qualification.
- The unit should have avail term loan/ working capital loan to the extent to minimum of Rupees One lakh.

7.2 Biponi

Objective of the scheme : The objective of the scheme is to support the Micro & Small enterprises to participate in different trade fairs and events within the State, in the Country and abroad for marketing of their products and also getting the exposure.

● **Marketing Promotion within the State :**

- a) General Manager, District Industries & Commerce Centre will identify important events/exhibitions held within the district where large numbers of visitors gather. Some important events are Rash Mohotsav at Nalbari, Annual event of Asom Sahitya Sabha, Annual event of Bodo Sahitya Sabha, Annual Ambubachi mela at Kamakhya, DouL Utsav at Barpeta, DouL Utsav at Batradava, Asokastomi mela at Dhubri, Annual event of Srimanta Sankar Sangha, Sivaratri mela at Sivasagar, Dihing Patkai Utsav at Jagun, Dibru-Saikhowa Utsav at Tinsukia, etc.

- b) 100 (One hundred) numbers of participants covering all the districts will be selected for participation in the identified events/exhibitions.

● **Marketing Promotion outside the state :**

- a) A list of National Level Exhibitions to be held outside the State like Suraj Kund Mela, Dilli Haat, India International Gift Fair, etc. will be prepared by the Commissioner, Industries & Commerce.

- b) Applications will be invited through Newspaper advertisement from interested participants for participation in identified trade fairs.
- c) Participants for these fairs will be selected depending upon their Quality of Products, performance in the Fairs/ exhibition held within the State etc.

● **Marketing Promotion outside the Country:**

- a) For promotion of “ Brand Assam”, a basket of products will be identified for marketing promotion outside the country.
- b) A list of International Fairs/exhibitions, suitable for marketing promotion of the identified product basket, will be prepared by the Commissioner, Industries & Commerce.
- c) Applications will be invited through Newspaper advertisement from interested enterprises manufacturing the identified products for participation in identified trade fairs.
- d) Participants for these fairs will be selected depending upon their Quality of Products, performance in the Fairs/ exhibition held within & outside the State etc.

7.3 “SAROTHI” – THE START-UP ASSAM

Objective of the scheme : The basic objective of the scheme is to provide financial assistance in the form of loan with Interest subvention through a designated Bank covering the whole of Assam. The loan so availed by the beneficiaries will be supported by the State Govt. through Interest Subvention @ 5% P.A.

The coverage of the scheme :-

- All innovative start-up industrial activities and new individual applicants shall be eligible to get the benefit under the scheme.
- New MSME units.
- Priority shall be given to the applicant having any kind of skill development training.
- The applicant should not be a defaulter of any Bank/ Financial Institution.

Financial Assistance & Equity :-

- Loan amount shall be maximum of Rupees 10.00 lakhs.
- Equity/Promoter’s Margin shall be 15% of the project cost.
- All the beneficiaries under the scheme will be eligible for interest subvention on credit up to Rupees 10.00 Lakhs.
- Banks will charge the borrowers as per their respective lending norms and 5% will be subvented in the loan accounts of the beneficiaries by the District Industries and Commerce (DIC), Govt. of Assam based on claims prepared by the bank and submitted to the DIC, Govt. of Assam.
- The balance interest calculated (@ Lending Rate of Interest levied on the loan amount disbursed minus 5%) will be repaid by the Borrower in Equated Monthly Installment (EMI).
- The beneficiary who fails to meet his/her repayment obligations in time and the account becomes NPA, the benefits of interest subvention will not be available to them from the date of account becoming NPA. All other eligible beneficiaries shall continue to get the benefit of interest subvention for a maximum period of 5 years or the agreed term of the loan whichever is less.

Rate of Interest on the Loan :- The rate of Interest on the loan shall be as per prevailing lending rate of the bank and the rate of the interest is subject to change from time to time as per directives of the Bank/ NABARD/ RBI

Moratorium period :- There shall be an interest free moratorium period of maximum 10 months from the date of first disbursement depending upon the nature of activity undertaken by the beneficiary.

Processing Fees/ Documentation Charge/ Supervision Charge etc.:- The bank will not charge any processing fees/ documentation fees from the beneficiaries. The processing fees/documentation fees shall be borne by

District Industries and Commerce (DIC) , Government of Assam on behalf of the beneficiaries as per the extant guidelines of the Bank or at a specified rate of 3% of the sanctioned amount as mutually agreed by the Bank and DIC, Govt. of Assam.

Repayment of the Loan :- The loan amount shall be repayable over a period of time depending upon the nature of activity and as per terms and conditions of the Bank usually not exceeding 5 years.

7.4 SWAMI VIVEKANANDA ASSAM YOUTH EMPOWERMENT (SVAYEM) YOJANA

Following are its objectives :-

- To generate employment opportunities in rural as well as urban areas through setting up of new ventures as well as growing existing ventures.
- To provide financial assistance to micro and small business entities engaged in the manufacturing, trading and services sector.
- To provide financial assistance for enhancement of income level of traditional artisans ensuring sustainable growth.

Coverage and targeted groups :-

- About One lakh youth of Assam will be provided suitable credit support for taking up income generating enterprises.
- The number of beneficiaries will be selected in a district in proportion to the population.

Nature of activities :-

- Manufacturing
- Processing
- Service Sector
- Trading
- Rural Transport Service (Auto Rickshaw, e-Rickshaw).
- Tourism
- Shops, repairing Centres, Handicraft, Cottage Industries etc.

Eligibility criteria for the beneficiary :-

- Residents of Assam above 18 years of age.
- There will be no income ceiling for getting assistance under this scheme.
- The individual beneficiary should have skills, experiences, knowledge, etc., to undertake the income generating activities.
- The beneficiary should possess educational qualification of at least Class VII standard.
- The beneficiary who has already completed Skill Development Training will be given preference.
- The beneficiary must not be the defaulter of any loan. If information submitted by the beneficiary is found to be incorrect later, action would be taken against the beneficiary including cancellation of loan, recovery of amount as Bakijai and also blacklisting for future benefit under any Govt. Scheme.
- PMEGP beneficiaries of the last 5 years will not be eligible under the scheme.

Quantum and nature of financial assistance :-

- The State Government through the State Level Bankers Committee would request all Public Sector/Private Sector/Regional Rural Banks to provide financial assistance under this scheme.
- The quantum of assistance would be up to Rupees One lakh for new entrepreneurs and up to Rupees two lakh for existing entrepreneurs. Beneficiary contribution will be a maximum of 25% of the total project cost.

Interest rate and repayment schedule :-

- Interest rates are to be charged by the bank as per RBI guidelines for MSE units.
- Repayment schedule may range between 3 to 7 years after an initial moratorium as may be prescribed by the bank/Financial Institution concerned.

Website : <https://industries.assam.gov.in/>

